

Agency: 495 Department of Agriculture

Decision Package Code/Title: A1 Reduce Food Assistance Funding

Budget Period: 2015-17

Budget Level: PL - Performance Level

Recommendation Summary Text:

This proposal reduces general fund state pass-through grants as part of the 15% reduction options for the 2015-2017 biennium. This will impact support for the emergency food system through our state funded Emergency Food Assistance Program (EFAP). Under the proposed reduction, some of the most vulnerable people in Washington State will receive 1.6 million fewer meals each year. This 12.7% reduction may cause some food pantries to close. This proposal will also have a negative impact on several current efforts to ensure that healthier food options are available for all Washingtonians.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(600,000)	(600,000)	(1,200,000)
Total Cost	(600,000)	(600,000)	(1,200,000)

Package Description:

The agency is proposing a reduction in general fund state pass-through grants as part of the 15% reduction options for the 2015-17 biennium. This will decrease support to the emergency food system through our state funded Emergency Food Assistance Program (EFAP). This reduction will impact more than 330 local food providers who rely on these funds to serve people in need of food. About 1.4 million people-one in five Washingtonians-rely on the emergency food system that is directly supported by WSDA resources. Under the proposed reduction, these people will receive 1.6 million fewer meals each year. The reduction represents a 12.7% cut to the current \$4.7 million annual pass-through grants made available to emergency food providers across the state.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The expected outcomes of the reduction are:

* Critical funding will be reduced that directly supports food banks and food pantries that are struggling to fill the growing "hunger" gap as more low-income people are relying on them to provide more food just to get by.

* Less availability of healthier food options for low-income families through food banks, food pantries, and meal programs. This

would negatively impact Governor's Goal #4: Healthy and Safe Communities.

* Missed opportunities to develop new pilots and partnerships that would:

- *reduce hunger,
- *increase healthier food options, and
- *enhance the purchasing and donating relationships between the agricultural community and the emergency food system.

* 1.6 million fewer meals for low-income Washingtonians who are seeing other assistance resources decline and basic need costs increase.

Preliminary data from our EFAP program for 2014 shows that the number of clients visiting food banks has increased by nearly 349,000 or 4% in just one year, and has increased more than 45% since 2007.

In 2014, 35% of visits were children aged 18 and under, and 20% were seniors aged 55 and over.

In FY 2014 tribes provided almost 29,000 people with food from their food banks (including new and returning clients). Because tribes have so few resources for these programs, the number of people they serve is directly proportional to the funding they receive from EFAP, making a decrease in funding extremely challenging for them.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This reduction impacts WSDA's mission to serve the people of Washington by supporting the agricultural community and promoting consumer and environmental protection. It is our role to defend the safety, integrity, and availability of our food system; the emergency food system is critical to a healthy food system.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This reduction will decrease our ability to fully support Goal 4: Healthy and Safe Communities of the Governor's priorities. WSDA's indicator for Goal 4 focuses on increasing the percentage of healthier food options being offered to low-income children and families through food pantries, farmers markets, and meal programs by 5% from 2014 baseline by 2017.

We are asking emergency food providers to continually do more without additional resources, which could result in a reduced commitment to new tracking system enhancements that track not just the total amount of foods distributed but also food category (type). This is valuable data for understanding potential gaps and targeting solutions.

This reduction will reduce the indirect support for Goal 1: World-Class Education by decreasing the availability of healthier food options for children. Healthier food supports children's ability to achieve a world-class education. The reduction may also negatively impact Goal 2: Prosperous Economy through missed opportunities to develop purchasing and donating relationships between farmers and emergency food providers.

What are the other important connections or impacts related to this proposal?

As reductions to the safety net continue in the state and federal arenas, low-income families are turning to food pantries for help more often. We have been working with our partner agencies (DOH, DSHS, and OSPI) to determine what eroding support will mean for the client.

This reduction may decrease the ability of food providers to meet the reporting requirements and improved client outcomes referenced in Goal 4 which focuses on increasing the amount of healthier food options being offered to clients.

It is anticipated that some of the 330 food pantries may not be able to keep their doors open or maintain the same level of service.

What alternatives were explored by the agency, and why was this alternative chosen?

The only other alternative for this portion of the agency cuts would be to propose additional reductions or complete elimination of WSDA core programs. That approach would not be consistent with the stated intent of SSB 6341 (2009-10), which stated that administration of food assistance programs should not impact other core WSDA programs.

What are the consequences of adopting or not adopting this package?

This proposal would reduce availability of food for Washingtonians in need of food assistance, including foods that are considered healthier. Food providers' ability to provide enough food and to maintain the same level of access would be compromised. Providers are reporting that flexible funding is declining as expenses (food, storage, trucking, fuel) and client need continues to rise.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

This reduction decreases state general fund pass-through funding (NZ Grant) to emergency food providers and not the support of WSDA operational and administrative expenses in the 2015-2017 budget. Reductions are based on 2015 allotments and do not include the one-time additional funding of \$800,000.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

See Above

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
N	Grants, Benefits & Client Services	(600,000)	(600,000)	(1,200,000)